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NELLIE BYERS TRAINING CENTER, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/07/01

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Skarda & Silva, L.L.P.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Nellie Byers Training Center, Inc.
Bogalusa, Louisiana

We have audited the accompanying statement of financial position of Nellie Byers Training Center, Inc. (a Louisiana corporation, not-for-profit) as of June 30, 2001, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nellie Byers Training Center, Inc. as of June 30, 2001, and the results of its operations and its cash flows for the year then ended, in conformity with accepted accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2001, on our consideration of Nellie Byers Training Center, Inc.'s internal control over financial reporting and tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Nellie Byers Training Center, Inc. taken as a whole. The accompanying schedule of state financial assistance is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Shanda & Silva, LLP
October 5, 2001

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS

Current Assets	
Cash and cash equivalents	\$ 350,858
Receivables	
Grants	15,765
Other	3,593
Prepaid expenses	<u>29,109</u>
Total current assets	399,325
Property and Equipment	
Leasehold improvements	10,449
Vehicles	69,226
Furniture and equipment	<u>80,915</u>
	160,590
Less accumulated depreciation	<u>123,884</u>
	36,706
Land	<u>18,000</u>
	<u>54,706</u>
	<u><u>\$ 454,031</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities
Accounts payable

\$ 3,318

Total current liabilities

3,318

NET ASSETS

Net Assets
Unrestricted

450,713

450,713

\$ 454,031

The accompanying notes are an integral part of this statement.

NEILLIE BYERS TRAINING CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2001

Revenues and Other Support	
Government grants and contracts	\$ 181,993
Program services	25,001
Sales of services	100,884
Donations	29,872
United Way allocation/designation	3,100
Fundraising	21,380
Other	<u>19,600</u>
Total revenues and other support	381,830
Expenses	
Program services	305,100
Supporting services	<u>16,044</u>
Total expenses	<u>321,144</u>
Change in net assets	<u><u>\$ 60,686</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Program Services</u>		<u>Supporting Services</u>	
	<u>Adult</u>	<u>Work</u>	<u>General and</u>	
	<u>Habilitation</u>	<u>Activity</u>	<u>Administrative</u>	<u>Total</u>
Salaries	\$ 73,725	\$ 39,376	\$ 9,223	\$ 122,324
Payroll tax expense	30,985	3,874	3,874	38,733
Workers' compensation insurance	1,826	3,224	203	5,253
Maintenance	1,404	10,365	-	11,769
Utilities	8,232	3,100	2,744	14,076
Insurance	11,689	593	-	12,282
Contract labor	-	58,362	-	58,362
Office expense	3,728	1,634	-	5,362
Lunch program	-	9,948	-	9,948
Fuel	8,275	-	-	8,275
Psychologicals	80	-	-	80
Professional fees	8,275	-	-	8,275
Miscellaneous	708	4,688	-	5,396
Coffee and drinks	-	650	-	650
Depreciation	10,274	2,568	-	12,842
Supplies	-	3,066	-	3,066
Ground maintenance	-	4,451	-	4,451
	<u>\$ 159,201</u>	<u>\$ 145,899</u>	<u>\$ 16,044</u>	<u>\$ 321,144</u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2001

Net assets - beginning of year	\$ 390,027
Increase (decrease) in net assets	<u>60,686</u>
Net assets - end of year	<u><u>\$ 450,713</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 60,686
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	12,842
(Increase) decrease in operating assets	
Grants receivable	(252)
Other receivable	4,916
Prepaid expenses	(23,219)
Increase (decrease) in operating liabilities	
Accounts payable	<u>756</u>
Net cash provided by (used in) operating activities	55,729
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(15,722)</u>
Net cash provided by (used in) investing activities	(15,722)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
Net increase (decrease) in cash and cash equivalents	40,007
Cash and cash equivalents - beginning of year	<u>310,851</u>
Cash and cash equivalents - end of year	<u><u>\$ 350,858</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Nellie Byers Training Center, Inc. (the "Center") was incorporated on July 1, 1975. The Center provides work training services and residential housing for retarded citizens of Bogalusa, Louisiana.

Donated Assets and Services

The Center records noncash donations as contributions at its estimated fair value at the date of donation.

The Center recognizes donated services, if significant in amount, that create or enhance non-financial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Property and Equipment

Property and equipment are recorded at cost. Acquisitions of property and equipment are made with unrestricted assets. Depreciation is provided over the estimated useful lives of the respective assets, approximately five to thirty-five years, on a straight-line basis.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocation

Functional expenses are allocated among various program services, general and administrative, and fundraising categories based on actual use or management's best estimate.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center's management considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Use of Estimates in the Preparation of Financial Statements

The preparation of the Center's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of June 30, 2001. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from estimates used in the 2001 financial statements.

Income Taxes

The Center is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

Financial Statement Presentation

The Center adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center; that is, in substance, unconditional. Contributions that are received subject to certain donor stipulations are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

**NOTE B - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN
EXCESS OF INSURED LIMITS**

The Center maintains cash balances at several financial institutions located in Bogalusa, Louisiana. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. The Center's cash was not in excess of the FDIC insurance at June 30, 2001. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE C - FAIR VALUES OF FINANCIAL INSTRUMENTS

The Center's financial instruments were comprised primarily of cash, cash equivalents, and accounts receivable and its carrying amount approximated fair value. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents - the carrying amount approximates fair value because of the short maturities of those investments.

Grants receivable - the carrying amount approximates fair value because of the short maturities of the instrument.

NOTE D - CURRENT VULNERABILITY DUE TO CONCENTRATIONS

The Center has also adopted SOP 94-6, which requires disclosure of vulnerable concentrations of exposed risk. The Center receives approximately 51% of its support from the Louisiana Department of Health and Hospitals. It is reasonably possible that in the near term this program could cease, which would cause a severe impact on the Center and its ability to continue its operations. The Center does not expect in any way that the support from this governmental agency will be lost in the near term.

NOTE E - PROGRAM GRANTS

The Center was organized to promote the general welfare of the mentally retarded, to foster the development of programs in their behalf, to advise and aid parents in the solution of mentally retarded problems, and to coordinate their efforts and activities. To help meet these objectives, the Center maintains and operates a training facility for persons with mental retardation.

A substantial portion of the Center's support and revenue is derived from restricted grants for the various programs conducted. The grants are approved on a year-to-year basis and generally apply for the period July 1 through June 30. Any unexpended grant funds or unauthorized expenditures charged against the programs must be refunded.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F - UNITED WAY ALLOCATION/DESIGNATION

The Center participated in the United Way for the Greater New Orleans Area allocation and designation of funds process. To participate in the allocation and designation of funds, certain restrictions were placed on the Center's ability to conduct certain fund raising activities or otherwise solicit contributions. The United Way's allocation/designation to the Center for the year ended June 30, 2001, was \$3,100.

NOTE G - FUND RAISING REVENUES

Fund raising revenues are presented at gross, with related expenses presently separately in the accompanying financial statements. Net fund raising income for the period ended June 30, 2001, was \$21,380.

NOTE H - THIRD PARTY REVENUES

A substantial share of contract revenues for services to clients is derived under state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party provider. Retroactive adjustments, if any, would not be material to the financial position or results of operations of the Center.

SUPPLEMENTAL INFORMATION

NELLIE BYERS TRAINING CENTER, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2001

DESCRIPTION	LICENSE NUMBER	GRANT PERIOD		TOTAL GRANT AWARD	ACCRUED/ DEFERRED REVENUE JUNE 30, 2000		ASSISTANCE RECEIVED DURING YEAR		ACCRUED/ DEFERRED REVENUE JUNE 30, 2001	TOTAL REVENUE RECOGNIZED	EXPENDITURES		TOTAL EXPENDITURES
		FROM	THROUGH				GRANTS	OTHER			STATE	OTHER	
Louisiana Department of Health and Hospitals Office For Citizens With Developmental Disabilities	991000173	7/1/00	6/30/01	\$ 183,325	\$	3,674	181,912	-	3,593	\$ 181,993	\$ 181,993	-	\$ 181,993

OTHER INDEPENDENT AUDITORS' REPORT

Skarda & Silva, L.L.P.

Certified Public Accountants

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Mandeville, LA 70471

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Nellie Byers Training Center, Inc.
Bogalusa, Louisiana

We have audited the financial statements of Nellie Byers Training Center, Inc. (a Louisiana corporation, not-for-profit) as of and for the year ended June 30, 2001, and have issued our report thereon dated October 5, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance whether Nellie Byers Training Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Nellie Byers Training Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by

employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management, the State of Louisiana Department of Health and Hospitals, the United Way, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


October 5, 2001

[This form is an unaudited informational document prepared by management of the agency.]

LEGISLATIVE AUDITOR
BATON ROUGE LA 70804

DATA COLLECTION FORM

FOR REPORTING ON STATE AND LOCAL GOVERNMENT AND QUASI-PUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted 1005-01

RETURN to: Legislative Auditor
Attn: Engagement Processing
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

06-30-01

3. Audit Period Covered

☒ Annual ☐ Biennial
☐ Other to

2. Type of Report:

☐ Single Audit ☒ GAO Audit Standards Audit
☐ Compilation ☐ Compilation/Attestation
☐ Program Audit ☐ Other

4. AUDITEE INFORMATION

Auditee Name

NELLIE BYERS TRAINING CENTER

Street Address (Number and Street)

628 CAROLINA AVE

Mailing Address (PO No.)

City **BOGALUSA** State **LA** Zip **70427**

Auditee Contact

Name **BETH SCHILLING** Title **DIRECTOR**

Telephone **(985) 735-5216** Fax

Email (Optional)

5. AUDITOR INFORMATION

Firm Name

SKARDA & SILVA, LLP

Street Address (Number and Street)

4331 IBERVILLE STREET

Mailing Address (PO No.)

City **MANDEVILLE** State **LA** Zip **70471**

Auditor Contact

Name **BRENT SILVA** Title **PARTNER**

Telephone **(985) 626-8299** Fax **(985) 626-9767**

Email (Optional)

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reported deficiencies in internal control, no reported instances of noncompliance, and no management letter, check this box and do not complete the rest of the form. ☒

6. FINANCIAL STATEMENTS

- a. Type of audit report on financial statements. ☐ Not Applicable
☐ Unqualified Opinion ☐ Qualified Opinion ☐ Adverse Opinion ☐ Disclaimer of Opinion
b. Is a 'going concern' explanatory paragraph included in the audit report? ☐ Yes ☐ No
c. Do any of the funds have deficit balances? ☐ Yes ☐ No

7. INTERNAL CONTROL

Do the comments on internal control include: ☐ material weaknesses ☐ other conditions

8. COMPLIANCE

Do the comments on compliance include: ☐ criminal acts ☐ fraud and abuse ☐ not applicable

9. CURRENT YEAR MANAGEMENT LETTER (Finding Caption and No.)

Resolved ☐ Yes ☐ No ☐ No Longer Applicable
Resolved ☐ Yes ☐ No ☐ No Longer Applicable
Resolved ☐ Yes ☐ No ☐ No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

\$ _____ Resolved ☐ Yes ☐ No ☐ No Longer Applicable
\$ _____ Resolved ☐ Yes ☐ No ☐ No Longer Applicable
\$ _____ Resolved ☐ Yes ☐ No ☐ No Longer Applicable
\$ _____ Resolved ☐ Yes ☐ No ☐ No Longer Applicable
\$ _____ Resolved ☐ Yes ☐ No ☐ No Longer Applicable
\$ _____ Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? ☐ Yes ☐ No

Do any findings address violation of bond indenture covenants? ☐ Yes ☐ No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS (Finding/Comment Caption and No.)

Resolved ☐ Yes ☐ No ☐ No Longer Applicable
Resolved ☐ Yes ☐ No ☐ No Longer Applicable
Resolved ☐ Yes ☐ No ☐ No Longer Applicable
Resolved ☐ Yes ☐ No ☐ No Longer Applicable
Resolved ☐ Yes ☐ No ☐ No Longer Applicable

AUDITEE SIGNATURE

Beth Schilling

Date 10-5-01